



Good morning, and thank you for having me here today, particularly Speaker Johnson and Chair Rodriguez. I'm Patrick Foye, Chairman and CEO of the MTA. I'm joined by New York City Transit President Andy Byford, MTA Chief Financial Officer Bob Foran, and Janno Lieber, who leads Construction and Development.

We are in the midst of exciting and challenging times at the MTA. We remain laser focused on delivering safe and reliable service for the 7.6 million customers who use the subways and buses every day. As we embark on a historic Capital Program and Transformation, our core mission remains the same: to keep this city and region moving.

All our agency presidents – Andy, Craig Cipriano, Phil Eng, Cathy Rinaldi and Danny DeCrescenzo – are working hard to improve the experience for our customers day-to-day. But we also have our eyes on the future. New Yorkers deserve a modern 21st century transportation network, and that's what we plan to deliver with our ambitious proposed 2020-2024 Capital Plan. It calls for unprecedented levels of investment across the system, amounting to \$51.5 billion over the next five years, with an additional \$3.3 billion for MTA Bridges and Tunnels.

This proposed Capital Program is the key to growing and maintaining the capacity of our system, which is a driving force of the state economy. The plan is forecasted to generate 350,000 jobs statewide, 75% of which would be in the city. And we expect that 89% of the Capital Plan investment will be spent within New York State.

Service is Improving Across the System

But first, I want to highlight how we got to where we are today. After a state of emergency for the transit system was declared in the summer of 2017, the state and the City equally contributed over \$800 million for the Subway Action Plan. This infusion of funds allowed us to dramatically expedite essential maintenance work, helping to right the wrongs of decades of underinvestment and neglect. It was a critical step to getting our core infrastructure back on track, so we could begin providing improved levels of service.

This incredible effort has led to steady sustained gains in on-time performance across the system. In October, weekday OTP reached 81.5%. That's an improvement of nearly 16% from the year before. October was also the fifth straight month with subway OTP above 80%. For these improvements, I want to thank Andy, Sally and the entire Subways team, especially our partners in labor. These hardworking men and women are on the front lines every day, delivering operational excellence.

The improvement in performance hasn't been lost on our customers. We're seeing increases in ridership across all agencies. In September, the average weekday ridership on the subway climbed to 5.77 million people. Compare that to 2018 – where that number hovered around 5.43 million. To put that in perspective, the subway system is carrying nearly 250,000 more trips each weekday than it was a year earlier. And buses are carrying 34,000 more trips per weekday. The increase shows we're steadily rebuilding the public's trust.

We're also focused on improving the bus and paratransit network.

Our focus on operations isn't limited to just daily service or to the subways – we're also thinking big on buses and paratransit. We know that buses are a lifeline for our customers outside Manhattan, serving more than 1.8 million people a day. Craig Cipriano and the NYCT/MTA bus teams are pushing ahead with borough-by-borough Bus Network Redesigns. We're taking a completely fresh and holistic look at service in each borough. Many bus routes across the city haven't been changed in decades, putting them behind the times when it comes to new developments in housing or job centers.

The redesigns are using qualitative and quantitative data to update these routes to better fit our customer needs. We're working closely with our partners at the NYC Department of Transportation, and as always, community input is important. We've recently released a final proposal for the Bronx redesign, which includes the creation of three new routes. Frequency also will significantly increase on nine major corridors, which will be served by 10 routes. Thanks to Council Member Cohen for being a great collaborator during this process.

Redesign work is well underway in Queens, and we just kicked off the process in Brooklyn. On Staten Island, express bus riders are already seeing 12% faster travel times after that redesign was completed last fall.

The establishment of the 14th Street Busway, together with the use of Automated Bus Lane Enforcement, has also been a great success. It's a prime example of coordination between the MTA and our partners at NYCDOT, particularly Commissioner Polly Trottenberg. Thank you also to Speaker Johnson and Chair Rodriguez for your support on the busway.

There's been a dramatic uptick in bus speeds on the M14. It once took an average of 15 minutes to travel between Eighth and Third Avenues, it now takes just over 10. That's an improvement of nearly 33%. Customers are noticing too – since the busway was launched in October, ridership is up 17% compared to the same time last year. Before the Busway opened, there was concern that traffic on the surrounding streets would become unbearable. But, according to a study that was requested by NYCDOT, there's been no significant impact on congestion.

We're also investing in and focused on Access-A-Ride service. We're expanding the popular e-hail pilot program, which offers on-demand service for Paratransit users – doubling access to the pilot, from 1,200 to 2,400 AAR customers. For the core, ADA-required service we provide, we're also making improvements – expanding the types of trips offered, leveraging more taxis and for-hire vehicles, and adding 700 new vehicles to our aging fleet. Thanks to improved GPS tracking, customers can now track their trips on an app and webpage. And in an effort to make the system more transparent, we regularly publish metrics on a public dashboard.

The MTA is hopeful that Fair Fares will prove to be another fruitful partnership, and we thank you Speaker Johnson for your leadership on this issue. We strongly support this critical program, which is run by the city, to give low income New Yorkers access to the transit system.

We support a faster rollout of Fair Fares so this program can benefit more people. We're ready to do our part to make that happen.

Proposed 2020-2024 Capital Program

We aren't just thinking about operating improvements, and the work certainly doesn't stop there. That brings me to our historic \$51.5 billion proposed Capital Program. In this plan, we've laid out a bold vision for capital investment that will deliver the world-class transit network our riders deserve. The system has been neglected for far too long. Just as we've seen a 50% increase in ridership system-wide in the last 20 years, we've seen an 8% *decline* in the annualized rate of capital investment. Our teams deserve immense credit for getting the system to a more reliable place, but now is the time to take decisive action to ensure the future health of our system.

The proposed Capital Plan is fully a 70% increase over the current 2015-2019 program. We worked with legislators, advocates and the public to get their perspectives on what the system needs.

New York City subways and buses will receive \$40 billion in investment - more than the entire current Capital Plan. It encompasses all of Fast Forward's priority projects and more. Our goal for these next 5 years is to build upon success that we're already delivering. For example, on the 7 and L lines, signal modernization investments have led to significant improvements in performance. Modernizing the signal system allowed us to increase the number of trains per hour on the 7 line to 29 during the morning and evening rush, up from 25-27, while On-Time Performance skyrocketed from 75% to over 90%.

This is why the new Capital Plan includes \$5.3 billion for **subway signal modernization on six more line segments**: the Lexington Avenue, Fulton, Crosstown, 63rd Street, Astoria and Queens Boulevard lines. 33 interlockings will be modernized or modified, and we're upgrading all our communications networks. The plan also calls for the purchase of 1,900 new subway cars. Together with signaling updates, this will deliver faster, more reliable and more frequent service.

Accessibility is another cornerstone of this Capital Program. We plan to invest in 70 more accessible stations. That more than fulfills our commitment to ensure that no rider will be more than two stations away from an accessible station. We're targeting these upgrades at stations that serve more than 60% of our ridership.

Replacing 60 miles of track will also help us deliver better service. The program proposes to install 20 miles of Continuous Welded Rail, or CWR, across the network. Compared to Jointed Rail, CWR is more durable, with less than half the rate of rail breaks, creating a quieter, smoother ride. Additionally, 175 stations would be renewed to address components in need of critical repair – including the replacement of up to 65 escalators and up to 78 elevators that have reached the end of their useful life.

The Capital Plan also provides **full funding for phase two of the Second Avenue Subway**, allowing us to expand the network. This will add three new fully accessible stations, and a connection with Metro-North -- finally delivering on the decades-old promise to give residents of Harlem better access to our system.

Beyond the subways, the Capital Plan also advances our commitment to a cleaner, greener bus fleet, which will help to create a more clean and green New York. We're buying 2,400 new buses, 500 of which will be All Electric. Our goal is to transition a zero-emission fleet throughout the network by 2040. After 2029, all bus purchases will be electric buses. A younger fleet of buses can run farther before breaking down – which means more reliability and more service for our riders.

Funding for this program relies on a range of sources. Central Business District Tolling is a critical element, and expected to provide \$15 billion. New revenue streams like the Progressive Mansion Tax and the elimination of the Internet Tax Advantage will add another \$10 billion. We're anticipating \$10 billion in federal funding. And the MTA is also contributing with another \$9.8 billion in MTA funds.

But it's crucial to note that this will not be enough to completely fund our bold vision. To fully execute the Capital Program, we require additional investment: including \$3 billion from the state, and \$3 billion from the city.

The city's contribution would be used to fund accessibility upgrades. That money would be timed following the use of the \$25 billion expected from Central Business District Tolling and new tax revenues. Without the \$6 billion investment from the city and state, ADA work would be delayed. We need to schedule the MTA's contribution last in order to responsibly manage our debt service.

And capital funds are completely different from our operating budget. The unfortunate reality is that the MTA has to reconcile our service improvements and customer commitments with the fact that our cost structure is not where it needs to be. Even as we pursue aggressive cost cutting measures to find nearly \$3 billion in annual recurring savings, we're looking at major out-year deficits. Our operating budget is strained to the bone.

Transformation Update & CTO

That's where Transformation comes in. The MTA is instituting meaningful change and reform to completely transform the way we do business.

As part of the legislation that enabled Central Business District Tolling, the MTA was required to develop a reorganization plan that will result in a more efficient and effective organization. The MTA Transformation Plan was developed and approved by the Board earlier this year, outlining what the future MTA could look like. That vision would see the MTA become a single unified capital group, with consolidated back office functions across all agencies. This way we can refocus on service delivery and core safety.

We were pleased to announce the selection of **Anthony McCord as the MTA's Chief Transformation Officer**, to lead this historic effort. Anthony will work closely with senior leaders across the organization to modernize the MTA, and deliver on the hard work of transformation itself – implementing the necessary changes to consolidate and streamline the agency, and ensure the new MTA is set up sustainably, for long-term success.

Anthony is a senior executive with over 25 years of experience in industrial services and infrastructure roles around the world, focusing on transformation and change management. He is a proven, strategic leader with an impressive track record for teambuilding and effecting

meaningful change that will drive direct customer benefits. We're eager to have him join the MTA.

I'm also happy to share that we selected a future **Chief Operating Officer, Mario Péroquin**, last week. Mario Péroquin. Mario is a senior executive with over 30 years of experience in the transit and rail industry, and his distinguished career is rooted with direct field experience in both safety and operations – including as a rail traffic controller and safety investigator in Canada. As COO, Mario lead our team of exceptional agency presidents so that we continue to deliver gains in performance and maintain a laser-sharp focus on safety, reliability and customer experience.

A critical element of transformation and a key part of how we will deliver on this historic, proposed Capital Program is through our new Construction and Development organization, led by Janno Lieber. This group will be the single, central point for capital project planning, development and delivery. We're not waiting for the next Capital Program to start – some of these reforms are already well-underway. A great example is the L Train project – moving along ahead of schedule, thanks to innovative recommendations from world-class academic partners and under the leadership of Janno and his team.

Ultimately, Transformation will help the agency to refocus on our core mission: dramatically improving service and giving customers the safe, modern and reliable system they deserve. It will position us to most effectively and efficiently deliver on the proposed Capital Program, to put in much-needed reinvestment in our infrastructure that truly powers this region and keeps it moving.

Closing

Thank you again for your time today. We are happy to take your questions.



Testimony of the Partnership for New York City
New York City Council Committee on Transportation
The MTA's 2020-2024 Capital Plan and Transformation Plan
November 25, 2019

Thank you, Chair Rodriguez and members of the committee, for the opportunity to testify about the MTA's Capital Plan and Transformation Plan. The Partnership for New York City represents the city's business leaders and employers of 1.5 million New Yorkers. Our mission is to maintain and enhance the city's position as the pre-eminent global center of commerce, innovation and economic opportunity.

Reliable, modern public transit is the top priority of those who work and run businesses in the city. The Metropolitan Transportation Authority (MTA) is the core of our public transit system and its operations are critical to the regional economy. In 2017, the Partnership jointly launched a Transit Innovation Partnership with the MTA to ensure that the expertise of the city's business community is being fully exploited to improve the mass transit system. Last year, the Partnership launched the world's first Transit Tech Lab (Lab), an accelerator program through which startups work with the MTA to solve public transportation challenges. The MTA estimates that it benefited from \$10-\$20 million in value through the innovations of the Lab's 2019 program, which focused on subway and bus services.

In our experience of working closely with MTA leadership, the organization is definitely headed in the right direction and has made significant progress over the past two years with respect to customer service, reliability, cost controls and efficiency. Most notably, incidents causing major delays are down 34% since 2017, due to a 30% decrease in signal failure and a 57% decrease in delays due to track conditions.

Just as operations have improved, we are seeing significant improvement in the approach to capital construction. The MTA Board and staff, prompted by the governor, have done deep analysis of the causes for chronic cost overruns and delays in project delivery and have begun to take action to fix them. Industry is beginning to see a fundamental change in the agency that promises the next capital program will be delivered more quickly, at higher quality, and at a better value for dollars invested than we have seen in the past. We expect further improvements as a result of consolidation of construction activity in the capital construction agency, as well as reforms of the procurement process and better coordination between agencies, as recommended by the Transformation Plan.

While we are generally optimistic about the MTA's progress, we want to raise several concerns. First, the MTA must also negotiate a reasonable and fiscally sound contract with the Transport Workers Union Local 100, which represents 40,000 of the MTA's 75,000 employees. Many of the work rules and requirements that have been embedded in the contract for many years need to be updated to allow the agency to modernize its services and meet its budget constraints. In addition, the civil service requirements under which the MTA operates will make it increasingly

difficult to recruit the talent needed to operate a technology-driven system. There should be a review and updating of job classifications and other aspects of an outdated civil service law, particularly as the agencies face retirement of a large number of seasoned and expert transit employees.

We are also very concerned about the debarment regulations that have been put in place to punish contractors that fail to deliver on time and on budget. There was a need for better project management and discipline of contractors, for certain, but the regulations put forward are discouraging the most qualified firms from bidding on MTA projects because the liability for circumstances that are beyond the control of the contractor — such as delays by MTA agencies in approval of scope changes or unexpected site conditions — impose more risk than contractors can responsibly undertake. These regulations should be revisited in consultation with industry, to achieve workable results.

There is a lot the city can do to facilitate change at the MTA, in addition to providing funding. The Department of Citywide Administrative Services can work closely with New York City Transit, which falls under the city's civil service system, to facilitate efficient hiring for important roles. The Departments of Buildings and Parks and Recreation can collaborate with the MTA to provide access to and reach agreements on the use of city-owned property needed to support transit improvements, such as sites for new substations that will be required for installation of a new signaling system.

The city's economy requires a transportation system that is the most efficient, modern and well-managed in the world. The Partnership stands ready to work with the City Council and other stakeholders to ensure that these goals are achieved.

Thank you.



Testimony of Reinvent Albany

NYC Council Hearing on the MTA 2020-2024 Capital Plan and MTA Reorganization

Re: MTA Must Release Sequence of Capital Projects; Hiring Freeze Damaging to MTA as an Institution

November 25, 2019

Good morning, my name is Rachael Fauss, and I am the Senior Research Analyst for Reinvent Albany. We advocate for more transparent and accountable state government, including for state authorities like the Metropolitan Transportation Authority (MTA).

We thank the City Council for holding this oversight hearing. This is a critical time at the MTA. It is in the throes of a massive reorganization ordered by the Governor, which will be undertaken as the MTA takes on the biggest capital plan in its history. The Council has an important, ongoing role to play to ensure the city's voice is heard and that the capital plan directly benefits subway and bus service.

For instance, the Council should be actively pressing for the Mayor, Governor and State Senate to fill the city's soon to be two empty seats on the MTA Board. The Council should also be intensely focused on ensuring the city gets its fair share of capital spending, and that city projects essential for restoring good service are given priority.

As representatives of the city's subway, bus and rail riding public you should expect the MTA to be able to answer basic questions about what projects come first and how it knows how much spending is needed for items such as subway signals, tracks and cars and new buses. Specifically, you should expect the MTA to:

1. **Publicly release its 20-year needs assessment and federal Transit Asset Management (TAM) plan.** This raises the question: without these, how did the MTA determine how much restoring the system to a state of good repair will cost? If not the needs assessment, show us what was used.
2. **Release a schedule of start and completion dates for major components of the 2020-24 plan, and eventually all projects,** so the public knows which projects will come first, second, and ultimately last.

3. **Show how much it can realistically spend per year**, given that it only spent \$6.6B on all capital projects in 2018, the most per year to date.
4. **Revamp its current capital program dashboard** to always include complete data on *original* costs and schedules, and new data on contracts and bidding, to allow easy assessment of on-time, on-budget performance.
Relatedly, the MTA must commit to always comparing original to current costs/schedules, instead of “re-baselining” from amended plans.
5. **Release a detailed debt plan showing exactly how it will pay for \$10B in additional borrowing**, which may result in fare hikes. The Council should call for an **independent debt affordability study** to determine where the red line is with debt payments. This could be done by the State or City Comptroller.
6. **\$6B in new state and city capital funds for the 2020-2024 plan should not be contingent upon the MTA exhausting its resources.** Exhaustion as a principle is bad policy, and the state and city should provide the MTA cash rather than paying service on more MTA debt. Additionally, the City Council should keep a close eye on the state’s 2015-2019 plan pledge of \$7.3B.
7. **The cost to the operating budget of all 2020-2024 capital projects must be made known**, given that expansion projects like East Side Access have operating budget impacts that are beginning to show in the 2020 budget.

Lastly, Reinvent Albany we would like to mention concerns about three other timely MTA issues:

1. The MTA’s hiring freeze is a bad management policy and leads to key positions being left empty based on who happens to retire, while less important jobs are retained.
2. The MTA’s debarment of contractors is bad public policy, as it will lead to a smaller vendor pool, reduced competition and quality, and higher costs.
3. The MTA police force should not be expanded without significant analysis of how it impacts the operating budget and to ensure it does not result in service cuts - both immediately and in the long-term as the full cost of the officers ramps up.

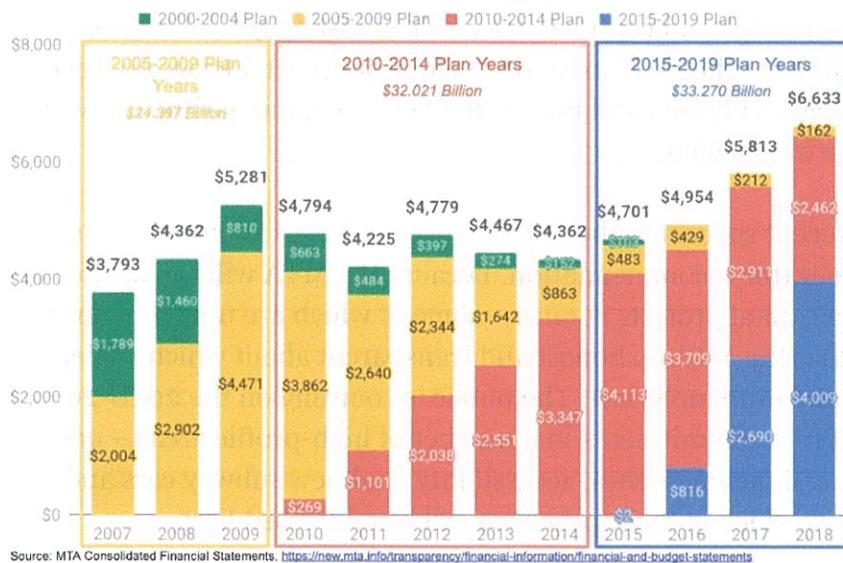
Our full testimony is available on the following pages.

Limited MTA Capital Spending Capacity

Regarding the MTA’s capital projects, the MTA has approved more than \$88B in capital plan funding that has not yet been spent, as of mid-year 2019: this includes \$54.8B from the 2020-24 plan (including Bridges & Tunnels), plus \$23B from 2015-19, \$9.5B from 2010-14, and \$646M from the 2005-09 plans.

Reinvent Albany has examined past spending trends on MTA capital plans, and our research shows the biggest constraint on completing MTA capital plans is the MTA’s ability to spend, not find funding. The MTA has limited capacity to spend capital dollars, and in 2018, only spent \$6.6B on all capital projects - a record level for the agency. The most spent in a single plan in one year was \$4.5B, spent in 2009 on the 2005-09 plan. This is all while there is a considerable hangover of projects from prior plans that are not finished - as of mid-year 2019, there is \$33.7B left to spend on projects dating back to 2005. See the chart below of past spending.¹

Reinvent Albany Analysis of Capital Plan Expenditures by Year, in Millions



Given that the 2020-2024 plan is 70% bigger than the last, we question how will the MTA ramp up spending to deliver the plan in a politically meaningful timeframe, given that even if the MTA increases its spending capacity, this plan could take more than 15 years to finish.

¹ For the full analysis, see Reinvent Albany. “Analysis of MTA Capital Spending: Can the MTA Deliver its 2020-2024 Capital Plan?” Sept 2019. <https://reinventalbany.org/wp-content/uploads/2019/09/Analysis-of-MTA-Capital-Spending-Can-the-MTA-Deliver-its-2020-2024-Capital-Plan-September-2019.pdf>

Concerns about spending capacity are particularly crucial as the MTA is in the midst of implementing its “Transformation Plan”, which is forcing the MTA to deliver a larger capital plan with fewer staff. This reorganization has created severe morale problems at the agency, with senior level staff not being replaced after they retire, creating a “brain drain”. The disruption of the reorganization itself may also create challenges for quick implementation of this plan.

Therefore, ensuring greater accountability and transparency of this spending is crucial because it may take the MTA more than a decade to completely spend down all its capital funds and complete all capital projects, which date back to the 2005-2009 plan.

MTA Must Release Sequencing for Major Components of 2020-2024 Capital Plan

Reinvent Albany and our colleagues in the Build Trust campaign have called repeatedly for the MTA to release an implementation plan showing the sequence of major components of the 2020-2024 capital plan work, and ultimately data regarding when all projects will be started and completed, as well as cost targets. Whatever information is available at this time should be provided before the Capital Program Review Board approves the plan. This data will inform the MTA’s capital dashboard, which we also recommend be overhauled.

The Mayor’s recent request to the MTA for greater detail about project schedules and timelines echoes this recommendation. Because the MTA will not be able to deliver all \$88B worth of capital projects at once – some of which are funded with city dollars – it is important that the MTA be honest and transparent about which projects will come first, second, and ultimately, last. The public is counting on the 2020-2024 capital plan to fulfill the MTA’s commitments in a number of high-profile areas – addressing core maintenance, resignaling 6 lines, accessibility, and new subway cars and buses – and we deserve to know which of these priorities will be addressed first.

State and City Funding Should Not be Upon “Exhaustion” of MTA Resources

We are concerned with the position of the City to have \$3B of its funds for the 2020-2024 plan provided upon “exhaustion” of the MTA’s own resources. We oppose the concept of “exhaustion,” because we believe it is vague and creates the potential for the Governor and Mayor - or future administrations - to renege on billions in capital funding, because the funding will be delivered so late in the process.

For example, the MTA still has not received the \$7.3B in state funds pledged in 2016 for the 2015-2019 plan, which was conditioned upon exhaustion. The state will not be providing this as direct aid, but instead said at the November 12, 2019 state legislative oversight hearing that the state will pay the MTA's debt service payments on additional MTA borrowing toward this \$7.3B. This is far from a clear path of accountability for delivery of these funds.

The state and city providing cash is a preferable approach, and the City Council should keep a close watch on state funding coming in for 2015-2019 and 2020-2024 plans to ensure that the state is delivering on its commitments while asking more of the city.

Also worthy of note is that the MTA's debt plan for the 2020-2024 plan is predicated on the \$3B each from the state and city coming in *before* it borrows \$10B on its own to fund the plan. They are essentially saying that debt service payments will increase beyond its already-high load (currently 17% of operating budget) if it has to borrow before state and city funds come in. The MTA's operating budget is already precarious, with large forecasted deficits - up to \$1B for 2023 according to the Citizens Budget Commission² if it goes through with hiring 500 more police officers, which we oppose.

The Continued Hiring Freeze is Damaging to the MTA as an Institution

Lastly, on MTA reorganization, this effort will have profound implications for delivery of the MTA's capital plan, core operations, and the institution as a whole. The MTA faces profound operating challenges, and the reorganization is continuing what has been a damaging hiring freeze. The reduction in staff from attrition and expected staff cuts in 2020 goes beyond consolidating back-office functions like human resources and information technology, as it is also affecting capital program, engineering, and maintenance staff. The reorganization plan was sold as creating "efficiencies" and "cutting waste", but what that means is fewer staff have to do more work with diminishing resources, all while decades of experience walks out the door.

The reorganization could, however, focus on non-core areas which will have a positive impact, and align with Chairman Foye's priorities such as revamping Freedom of Information law (FOIL) and open data processes. Centralization and standardization of Freedom of Information Law (FOIL) responses and Information Technology between the MTA's agencies could have important transparency benefits for the MTA and public.

² Citizens Budget Commission. "The High Cost of the MTA's New Police Officers." September 25, 2019. <https://cbcny.org/research/high-cost-mtas-new-police-officers>

Debarment of MTA Contractors is Bad Policy

A similarly damaging policy is the MTA's debarment provision, which we strongly oppose. At last week's MTA Board meeting for its NYCT Committee, it was revealed that three vendors didn't submit proposals on a design-build contract because of risks from debarment. This risks includes factors beyond their control. Debarment is bad policy and a big mistake because it reduces competition. This means higher prices and a smaller pool of expertise to draw from.

NYC's Vacant MTA Board Seats Must be Filled ASAP

Beyond the MTA's capital plan, the City Council should be concerned about the lack of representation the MTA Board for the City. Of the four seats appointed by the Mayor, only two will be full at the end of December. Dan Zarilli, who was nominated by the Mayor prior to the end of the state legislative sessions, was not moved forward by the Governor in time for Senate confirmation. An additional seat will become vacant with Veronica Vanterpool's departure in late December. It is crucial that all of NYC's elected representatives push for these seats to be appointed as soon as possible so that NYC residents have a greater voice on the MTA Board.

November 25, 2019
Testimony before the City Council Committee on Transportation
Delivered by Colin Wright, Senior Associate, TransitCenter

RE: Oversight of High Costs in the MTA 2020-2024 Capital Program

Good morning, I'm Colin Wright, Senior Associate at TransitCenter. TransitCenter is a national foundation that works to improve US cities through improved public transit.

We applaud the vision for the region's transit system in the MTA's proposed Capital Program. In particular, the investments in 70 new accessible subway stations, 1,900 new subway cars, and modern signals on six subway lines promise much more reliable and accessible transit service.

The sheer ambition of this plan also raises questions about how the MTA will complete it. The issue I'd like to focus on is the MTA's high cost of construction, how it impedes progress, and how you can use your oversight role to remedy it.

The cost estimates for major projects in this capital program are significantly higher than what peer transit agencies pay for similar work.

For example, the MTA estimates that accessible stations will cost roughly \$80 million on average. This is much higher than London's average of \$22 million for recent accessibility projects under similar conditions as New York, including high real estate values, narrow stations, and a complex tangle of underground utilities.

Closer to home, SEPTA in Philadelphia recently brought an underground subway station on the Market-Frankford Line into ADA compliance for \$9 million, including the installation of two elevators, structural and concrete repairs, and a new staircase.

Likewise, the MTA projects that a track mile of modern signaling will cost roughly \$45 million, while Boston, London, and Paris have paid between \$3 million and \$14 million to resignal a mile of track.

Given the practical limits of the authority's spending, there is no path to a consistently excellent rider experience without reducing the projected costs in this capital program. If the MTA brings its capital costs in line with peer agencies, the authority can stretch funds for maintenance and improvement farther and keep its debt burden in check.



Under Janno Lieber, President of MTA Capital Construction, the MTA has identified a number of project management and procurement reforms to increase efficiency and make bidding for MTA contracts more competitive. We commend these steps and believe they have the potential to reduce construction costs.

So far, however, the MTA has yet to demonstrate that the agency expects to bring costs down. In fact, despite project management reforms intended to accelerate work and reduce costs, estimates in this capital program do not reflect lower unit costs than in previous capital programs.

To set goals for cost control, we recommend that the MTA review transit capital costs from other large cities with old rail networks, and use industry averages as benchmarks to assess its own progress on cost reduction. Benchmarking based on construction costs of older transit networks in cities like Chicago and London will help reveal which MTA practices are out of line with its peers and must be altered.

Making these cost control goals highly visible to the public will strengthen the MTA's case for politically difficult decisions, like resignaling subways quickly by shutting down segments of track continuously, instead of drawn-out night-and-weekend work.

An effective model is the MTA's own practice of reporting performance targets for subway and bus service. There are no equivalent targets or metrics for MTA capital construction costs. Setting firm public goals for cost control is an essential step toward building trust in the MTA.

There are many factors that contribute to high MTA construction costs. There are no silver bullets, and the problem won't be solved overnight. Getting capital costs under control will require unflagging attention from the MTA and steadfast oversight from city and state authorities, operating in a cooperative but firm spirit.

We look forward to working with the city council to seek clear explanations from MTA leadership about the root causes of high costs and what can be done to make capital construction more efficient. If the MTA successfully accelerates its construction work and reins in capital costs, all New Yorkers will benefit.

Thank you.





Elevator Action Group

MTA Transformation & 2020-2024 Capital Plan

November 25, 2019

In the past 6 months, we've learned about the MTA's transformation plan, plans for accessibility upgrades, and very recently, about drastic cuts to an Access-a-Ride on-demand pilot study. And while the MTA faces a growing operating budget deficit, we've learned that the MTA wants to hire 500 more police officers in the subway.¹

Given the MTA's track record on working with the disability community, we need greater oversight in several areas and ask you to push for real transparency and representation and inclusion of people with disabilities in decision-making.

Real transparency

- In the next capital plan, accessibility upgrades at 63 subway stations will cost \$5.1 Billion, at an average of \$81 Million per station²—a cost that has doubled since the MTA's 2014-2019 Capital Plan was first introduced.³ These costs have been shown to be four times higher than in comparable cities like London.⁴ **How is this money being spent, and why costs have doubled in five years?**
- We know that funding for the capital plan is not guaranteed, as the MTA relies on congestion pricing, more loans, and a steady economy to pay for this plan. We also know that when the MTA makes priorities, accessibility often gets pushed back to the bottom of their list of priorities. We cannot afford to be wasteful of money that is earmarked for accessibility. Even with the addition of 70 more accessible stations, the subway will only be about 40% accessible. **What is the plan for accessibility when finances fall through?**
- The MTA has refused to commit to a court-enforceable timeline in order to settle a class-action lawsuit on subway accessibility first filed in April, 2017. After failing to dismiss the lawsuit, they hired outside legal counsel. While they plan to complete a system-wide feasibility study of subway accessibility by the end of the year, they have refused to share the results of that study with the plaintiffs. **Why is this information not already public knowledge?**
- After the introduction of a pilot program to test the feasibility of leveraging taxi and broker car services which cost half of their traditional service, the MTA claimed that increased demand outstripped any savings gained from the popular e-hail pilot study. Their online dashboard shows that an increase in demand for e-hail caused an 11.4% increase in overall costs,⁵ but there was also a 10.4% increase in registered passengers during the same time period (from 144,000 in 2017⁶ to 159,000⁷ today). We know the need for paratransit will continue to grow in the coming

¹ <https://cbcny.org/research/high-cost-mtas-new-police-officers>

² <https://slate.com/business/2019/09/mta-elevators-are-the-perfect-example-of-new-yorks-cost-problems.html>

³ http://web.mta.info/capital/pdf/Board_2015-2019_Capital_Program.pdf

⁴ <https://pedestrianobservations.com/2019/03/12/construction-costs-metro-accessibility/>

⁵ <http://aardashboard.mta.info/Home/HistoricalData>

⁶ <https://www.nytimes.com/2017/05/18/nyregion/only-thing-worse-than-the-subway-not-being-able-to-ride-it.html>

⁷ <https://nypost.com/2019/11/11/mta-asks-city-hall-to-kick-in-another-159m-for-access-a-ride/>

decade. **Why is the MTA is once asking people with disabilities to shoulder the burden of their poor management?**

- A smaller on-demand e-hail program with 1,200 participants has been "life-changing" for many passengers, but the MTA is introducing caps to subsidies and number of trips that people can take each month. While they claim these cuts are in line with other cities, they impose the most severe subsidy cap of \$15 per trip (as in Washington D.C.) and base trip limits on the median usage of the program, rather than individual paratransit usage (as in Boston). **Without making historical data on this pilot publicly available, how are advocates to know the real costs in order to advocate for a solution that works?**

Representation and inclusion of people with disabilities in decision-making

- 26% of adults nationwide have at least one kind of functional disability,⁸ yet disability is frequently left out of discussions on diversity, especially at the MTA. We appreciate that New York City Transit has organized a volunteer advisory committee, but it is time we see people with disabilities in real decision-making roles. Veronica Vanterpool's resignation means the mayor has an open board appointment. **Will the city council support the appointment at least one disability advocate with a voice and a vote on the MTA board?**
- The transformation plan from Alix partners calls for the establishment of an MTA-wide accessibility officer, but one high-level position will not be enough to affect the accessibility changes that more than 1 Million elderly and disabled New Yorkers will need in the coming decades. **Will there be sufficient resources and manpower dedicated to accessibility initiatives, including those for people with vision and hearing disabilities?**
- Paratransit was mentioned exactly once in the entire Alix partners report, despite being the most expensive line item in the operating budget. Reform⁹ and modernization¹⁰ have been sorely needed for years. Meanwhile, the MTA is planning to pilot an on-demand "microtransit" service in Staten Island with no information about whether this service will be accessible to people with disabilities.¹¹ **Where is the plan to transform paratransit? How can paratransit passengers be more involved in its transformation?**
- Disability and policing are rarely discussed in the same context, but homeless people are more likely to be disabled than the general population.¹² People with disabilities are also more likely to be victims of police violence than the general population.¹³ These disparities can not be ignored. **If the point of a high-level accessibility advisor is to weigh in on issues that will impact people with disabilities, where is their voice in this conversation?**

Despite the appearance of trying to engage with the disability community more directly, the MTA still keeps crucial information under wraps. While they publicly tout accessibility as a top priority, they continue to fight lawsuits in private, and prioritize police over providing better service to paratransit customers who are still effectively shut out of the subway. We demand true transparency and a real voice in decisions that impact people with disabilities.

⁸ <https://www.cdc.gov/ncbddd/disabilityandhealth/infographic-disability-impacts-all.html>

⁹ <https://cbcny.org/research/access-ride>

¹⁰ <https://trid.trb.org/view/1497877>

¹¹ <https://ny.curbed.com/2019/7/15/20694822/staten-island-microtransit-pilot-program>

¹² <https://citylimits.org/2019/06/05/homeless-shelter-aging-senior-elderly-disabled/>

¹³ <https://www.bbc.com/news/stories-45739335>



**United Spinal
Association**

www.unitedspinal.org

Comments of United
Spinal Association
Before the City Council
Transportation
Committee Regarding
the MTA Capital
Program 2020-2024

James Weisman, President & CEO
November 25, 2019

I am James Weisman, President and CEO of United Spinal Association. For the past forty years, I have also been the organization's attorney. During that time, United Spinal has successfully sued New York City to make public transportation accessible—long before the existence of the Americans with Disabilities Act (ADA), to force the installation of curb ramps and require the purchase of accessible taxis. The settlement agreements reached between United Spinal Association and the MTA, as well as Philadelphia's transit system, are the basis for the transportation access requirements for mass transit prescribed by the ADA. United Spinal also participated in writing the US Department of Transportation's ADA-implementing regulations. United Spinal is a national organization with over 57,000 members, the vast majority of whom use wheelchairs to ambulate.

United Spinal Association endorses the MTA Capital Program 2020-2024, titled, *Rebuilding New York's Transportation System*.

Forty years ago, United Spinal Association, and I, as its attorney, sued the Metropolitan Transportation Authority (MTA) for its failure to purchase accessible buses, when the agency bought buses in the ordinary course of business, and for its failure to renovate subway stations accessibly, when it renovated stations in the ordinary course of business. As you are probably aware, MTA, Mayor Koch, City Council President Carol Bellamy, and every single City Council member, except one, opposed making transit accessible. So did every newspaper editorial board.

During the course of that litigation, people with disabilities indicated to the MTA, the Council and elected officials how desperately they needed transportation to work, go to school, shop, and recreate. They were ignored or told that "paratransit," a door-to-door service just for people with disabilities, was necessary because it would be more humane and less expensive.

United Spinal Association, then called Eastern Paralyzed Veterans Association, sued only for access to mass transit—not for paratransit. A successful settlement, however, reached in 1984, required the Access-A-Ride component for those who could not use mass transit, either because it was inaccessible or because, even in its accessible form, the nature and extent of a passenger's disability prevented them from using the system. Access-A-Ride was a part of the settlement, because Mayor Koch insisted on it, and would not let his appointees on the MTA Board approve a settlement without it. The MTA had convinced him that paratransit, as the sole source of transportation for people with disabilities, would be cheaper than making mass transit accessible, and so the Mayor believed that to control costs, paratransit, i.e. Access-A-Ride, had to be the workhorse of the system.

MTA, in opposing access, made this argument in bad faith. It assumed that if it could convince politicians that it was only a mass transit operator, not a paratransit operator, and that mass transit was only for those who walked, it could impose the paratransit burden on entities other than mass transit, such as social services organizations, charities, local government, and religious organizations.

Because by 1984, Governor Mario Cuomo was insisting that key stations be made accessible, the Mayor would not let his staff participate in the negotiation between and among the MTA, the disability community, and the Governor's staff, and the MTA made sure the settlement agreement imposed the responsibility for Access-A-Ride on the City—not the MTA.

We soon realized that MTA was given no incentive to provide meaningful access to mass transit, if Access-A-Ride, run at City expense, would provide transportation to people with disabilities MTA did not serve. We remedied this problem with the Americans with Disabilities Act, six years later, imposing the

responsibility for Access-A-Ride on MTA. Mayor Koch said he could provide rides to every person with a disability using Access-A-Ride, while keeping subways and buses inaccessible, for \$9 million a year. Access-A-Ride is expected to cost \$700 million this year, despite NYC having over 100 accessible stations, 100% accessible buses and the most accessible taxi and rideshare services in the nation.

United Spinal Association provides this information to the Transportation Committee by way of background to stress the importance of remedying the illogical approach to transporting people with disabilities that has been employed by otherwise responsible and logical transportation planners and elected officials.

Because we were the first city in the country to make a commitment to render an older rail system accessible—at least partially—and to commit to accessible buses, there was no model to follow. MTA's treatment of people with disabilities as having "special needs" instead of the same needs as people without disabilities was a widely-adopted viewpoint, but it was incorrect. People with disabilities want to go from Point A to Point B—that's it. Nothing special. They did not need a duplicative transportation system in which vehicles must be purchased, fueled, insured, and replaced, and personnel must be hired and compensated, which runs parallel to the existing mass transit system.

For decades, the MTA allowed paratransit demand to increase without providing more access to its fixed route bus and rail systems, creating dependence on Access-A-Ride unnecessarily. Now, decades after it should have noticed its approach was siphoning dollars for special transportation from mass transit, it is finally acknowledging that the solution to this problem is enhancing mass transit access and usability.

The MTA has also realized that its paratransit expenses could be reduced by employing accessible taxis, car services and rideshares, in the mix of Access-A-Ride providers, since its cost-per-trip using taxis will be reduced. Moreover, the service for passengers would be far better and could be dispatched in real-time and not require 24-hour advance reservation. MTA has now realized that using for-hire vehicles (FHVs) in paratransit has made the service more desirable, and people with disabilities are requesting "too many" rides. Its proposed solution to that problem is to reduce the availability of FHVs and restrict access by putting a dollar amount cap on each trip, and on the numbered trips taken per month. It is quite possible that this may be determined to be a discriminatory practice in the future, since ADA paratransit regulations do not permit artificial constraints on demand for paratransit. That is to say that providing slower service deliberately that is not dispatched in real time—but could be— and/or charging more for real-time dispatched service might be considered constraints on demand. The only way such a constraint would be lawful is if MTA determined that providing such service would place an "undue burden," as defined by the ADA, on the system when viewed in its entirety.

Therefore, it is necessary in order to reduce demand for paratransit and enhance the quality of the lives of people with disabilities who live and visit the city to make as many stations accessible as possible in the least amount of time. Aging baby boomers will expect access, and think this issue has already been taken care of—after all, the ADA is thirty years old next year, and the settlement with United Spinal Association will be thirty-five years old. Accelerating station access is an idea that must be embraced by responsible planners. The Council and its Transportation Committee should endorse MTA efforts to improve station access, reduce paratransit costs, while exploring new and innovative ways of providing both access to fixed-route facilities, and Access-A-Ride services.

New York City was the first in the county to have a fully-accessible bus system and the first old rail city to commit to key station access. Transportation officials, however, took advantage of the US Department of

Transportation's statement in its implementing ADA regulations that compliance with the settlement agreement reached in 1984 with United Spinal Association/Eastern Paralyzed Veterans Association would indicate compliance with the ADA. As other old rail cities made large portions of their systems accessible, MTA was committed to doing only 100 of over 460 stations, and thinking the agency got away with something—no matter how many decades were spent explaining to MTA that its paratransit costs were increasing because of the stinginess on the capital improvement side of its budget, and that there was no end in sight to these increases, MTA continued to keep as few stations accessible as the law permitted.

Committing \$5.1 billion to station accessibility at 63 stations, and renovating an additional seven to include access in the next five years, is exactly the aggressive approach that is necessary. This ambitious approach is not just about elevators and ramps. Way-finding improvements for people with low and no vision, or who are cognitively impaired, are planned as well.

We have refrained from commenting on suburban transit transportation because of the limits of the Council's jurisdiction.

Thank you for this opportunity to address the Transportation Committee about an issue to which United Spinal Association has been deeply committed for over forty years.

José Hernandez
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Monday, November 25, 2019

Committee on Transportation
Council Chambers,
City Hall, New York, NY

Re: Oversight - The MTA's 2020-2024 Capital Plan and Transformation Plan

My name is Jose Hernandez. I am the NYC Advocacy Coordinator at United Spinal Association and I am a Civic Engagement Commissioner appointed by the Mayor in 2019.

I would like to thank the City Council Transportation Committee for giving me the opportunity to speak today. I would like to give special thanks to Council Member Rafael Espinal for his efforts in ensuring that the City's Straw Bill includes language that acknowledges the disabled community. I would also like to thank Council Member Reverend Díaz personally for being my State Senator for your service and dedication to your constituents in the Bronx. (Y también me gustaría agradecer personalmente al reverendo Díaz por ser mi senador estatal por 15 años y su servicio y dedicación a sus electores en el Bronx.)

The 2020 – 2024 MTA Capital Program has included a philosophy change when it comes to the disabled community and accessibility. 70 new ADA-compliant subway stations bring the total percentage of accessible stations to approximately 43%, and ensures that individuals with disabilities are no more than two stops away from an accessible station. These improvements include oft-forgotten Staten Island Railway stations. This will make traveling across the entire City as a person with a disability a lot easier.

Additionally, substantial changes are proposed for the commuter rail systems, the Metro-North and the LIRR, making them far more accessible. Together with the improvements to subway stations and the bus system, members of the New York City Chapter would be more capable of commuting to and from places like New Rochelle, and rehab facilities in White Plains and Rockland County, for example. It would even make it easier for an individual like myself to attend a concert or an event at Nassau Coliseum. Importantly, as a result of these changes, individuals with disabilities will be able to choose where to live based on the quality of life instead of accessibility. These changes advance the ability of people with disabilities to live independently and equally to other New Yorkers.

I ask that the City Council Committee on Transportation fully fund the MTA's 2020 – 2024 capital plan, as it will greatly improve and modernize transportation in southern New York State. Moreover, with New York City being the unofficial capital of the country, and with 65 million visitors in 2019, it only makes sense that we have the most modern and accessible transportation network in the country.

With this in mind, I would like to turn to one area of concern with respect to accessibility that I hope to see fully addressed alongside the other incumbent changes proposed in the Capital Program. With the MTA changing its payment method from the antiquated MetroCard to the new Omni payment system, I would hope that the MTA eliminate the auto gate system. Currently, I would need accompaniment to get my MasterCard and use it at the auto gate. With the new Omni system, I would be able to use a tap-and-go payment system. With this advance in technology, the MTA should install wider turnstiles to accommodate even the largest of wheelchairs or strollers akin to the Washington DC Metro system or Toronto's system, where gates automatically open once payment is established. This would allow me to independently navigate the New York area's transportation network.

Finally, I am concerned by the MTA's recent change to its most successful program geared to individuals with disabilities. The MTA's E-Hail pilot program has given individuals with disabilities the ability to call on yellow and green taxis in real-time in order to travel to and from work, family events, doctor's appointments, etc. The MTA has decided to put a cap of only 14 rides per month and has restricted the reimbursement rate to only \$15 per ride. This severely limits and discourages individuals with disabilities from even using the program: currently (according to a Daily News article¹), the reimbursement rate to the MTA's paratransit system is \$81 per ride, and the average ride in one of the E-hail taxicabs is \$41 per ride—saving the MTA \$40 per ride and giving individuals with disabilities the freedom of traveling same-day rather than having to give 24 hours advance notice.

I therefore ask that the City Council Committee on Transportation encourage the MTA to increase the number of rides to at least two round trips per day, and increase the reimbursement rate to a minimum of \$50 per ride, with anything above \$50 being the responsibility of the individual in the pilot program. Even with these limits, it would save the MTA money and give individuals with disabilities much-needed expanded choice and flexibility when traveling within the city.

Thank you very much.

¹ "Ride on: Keep fixing Access-A-Ride by taking advantage of on-demand, app-hail wheelchair-accessible transit," November 14, 2019. https://www.nydailynews.com/opinion/ny-edit-access-a-ride-20191114-nnpyvsebnadbeqjjoh7e7gwpi-story.html?fbclid=IwAR1xhl2lnVohlV81hGCrgA_FGTHoafJVVW2sWaO-KEErcVFQh5hYTmpvRQ2Q



Public Testimony: The Metropolitan Transportation Authority 2020-2024 Capital Program

Liam Blank, Advocacy & Policy Manager, Tri-State Transportation Campaign

November 25, 2019

Thank you, Council Member Rodriguez and your colleagues for the opportunity to testify before you today, and for holding this oversight hearing of the MTA. I am Liam Blank, Advocacy & Policy Manager of Tri-State Transportation Campaign, an organization fighting for sustainable mobility in New York, New Jersey, and Connecticut.

For years, Tri-State has called for increased funding to improve subways, buses, and commuter rail, including the state of good repair fixes that nine million daily riders need as well as expansion of the system to reach communities that are underserved by transit. So we are pleased to see that the MTA's 2020-2024 Capital Program proposes the kinds of systemwide improvements necessary to restore riders' trust in the authority—if they are successful.

The Capital Program calls for a historic \$51.5 billion in investments in our transit system. The lion's share of that investment—\$37.3 billion—will go toward subways, including over \$7 billion for signal modernization that should help bring much of the system up to the ninety-percent-plus on-time arrival statistics that the L and 7 trains currently hold.

Another three and a half billion dollars will go toward buses, the lion's share of which is earmarked for the purchase of new buses, including a significant investment in clean electric buses.

While MTA Capital Construction has made significant strides in streamlining workflows, the MTA should be clear with you and the riding public how it plans to complete the proposed work in the Capital Plan on time, including improving its capital plan dashboard and creating a detailed online project tracker that allows anyone to see not only when projects are expected to be completed, but at what cost. We should also understand how the authority plans to handle both state of good repair projects and expansion projects, and what gets prioritized in inevitable moments of capacity crunch.

Though we want to hear more about the authority's plan to implement the 2020-2024 Capital Program transparently and cost-effectively, we are very glad to see a robust Capital Program that improves on previous promises made by the MTA in Fast Forward, moves the MTA toward a fully zero-emissions bus fleet, and delivers the signal upgrades and accessibility improvements riders need to see. With support and meaningful oversight from the Legislature and City Council, the MTA will have the resources it needs to provide riders with the world-class service New Yorkers deserve. Thank you.

**Testimony of Mark Henry, Chair, Amalgamated Transit Union (ATU) NYS
Legislative Conference Board & President/Business Agent, ATU Local 1056
to NYC Council Committee on Transportation on the Metropolitan
Transportation Authority (MTA) 2020-2024 Capital Plan & Transformation
Plan**

November 12, 2019

Chairman Rodriguez and respective committee members, thank you for this opportunity to submit testimony for your consideration as you review the Metropolitan Transportation Authority (MTA) 2020-2024 Capital Plan and Transformation Plan. My name is Mark Henry, and I serve as Chair of the Amalgamated Transit Union (ATU) NYS Legislative Conference Board and as President/Business Agent of Amalgamated Transit Union (ATU) Local 1056 in Queens. Statewide, the ATU represents more than 25,000 hard-working transit workers throughout ATU cities including Albany, Binghamton, Buffalo, New York City, Rochester and Syracuse.

I submit this testimony today on behalf of the four locals in the New York City area: my local – Local 1056 in Queens, Local 726 in Staten Island, Local 1179 also in Queens and Local 1181 in Brooklyn. The members of our four locals would be greatly impacted by the proposed MTA Capital Program. This program is touted as creating a faster, more accessible and more reliable public transportation system for the New York City. This proposed Capital Program would be the largest in MTA history. We find these statements generally positive, but we hope that the MTA can deliver on the ideas contained in this plan.

Currently, there are 5,771 buses in the MTA fleet and over 16,000 bus stops. The 2020-2024 Capital Program envisions a total investment of \$3.5 billion in NYCT and MTA buses over the four-year period of the program. \$2.3 billion of the proposed plan will go to replace 2,200 aging buses in the fleet. The goal is to have 500 of these new buses be 100% electric buses. The plan also includes \$217 million for the purchase of an additional 175 buses to expand the overall fleet, which would be designed to allow network redesign and provide better service.

Further, the Capital Program envisions \$880 million for bus depots including the reconstruction of the Jamaica Depot a project that has been sidelined in Capital projects dating back to 2010. This money would also be used to replace maintenance equipment at the depots to keep the buses running.

Finally, the Capital Program contemplates \$109 million to improve the customer experience by providing on-board real time digital information. There will also be efforts to improve traffic enforcement using bus lane cameras and provide faster and frequent service with traffic signal priority for buses. The plan must have enhancement to its bus design to reduce pedestrian accidents and operator safety.

The focus of transit improvements must not only be on subways and rail; it must include Bus Service to better serve disenfranchised communities. The MTA redesign of the Bus Networks specifically in Queens is still in its infancy but is flawed and the direction envisioned leans towards a developer's needs, not giving Queens residents from all walks of life the ability to move about the borough. I emphasize this only to remind the committees that operational funding cannot be defunded or shifted to capital projects. Missing from the plan is any funding to provide or upgrade the current bus transit hubs across the city especially in ever expanding Flushing and Jamaica Queens areas.

This committee needs to be mindful of the reorganization that has not been revealed, the constant outsourcing and additional consultants that infringe on the Capital Plan's budget; it deserves a closer scrutiny.

An additional Bond Referendum is needed to the needed improvements and repairs to fund the Bus network system. There are many areas that are woefully decimated by years of cuts in services and neglect. A reviewing of the capital plans from the past versus the present, shows another vision of public transit but not a clear one to average New Yorker.

Thank you for the opportunity to testify today on the Metropolitan Transportation Authority (MTA) 2020-2024 Capital Program. This proposed program will have a major impact on the members of the Amalgamated Transit Union (ATU), and I hope you will consider the points I have raised as you move forward with your review of the Program. Following this testimony, I include additional observations that I commend to your attention. As always, I am happy to serve as a resource and offer advice and guidance on how the proposed Capital Program will impact the bus drivers of the MTA.

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Additional Commentary

Transit in this city operated by MTA focuses primarily on economics, income level and not the population's needs; it's the Tale of Two Different New York's. The reality is that your income level can dictate where you live or how far you must commute to get to work, school or other necessities.

As a mass transit professional and a rider of public transit in this city, the ATU Locals across this city and state offers unique and valuable insights. ATU Locals have always emphasized that smartly investing in public transit keys growth in the economy and job creation. We are your "Green Alternative" that properly resourced can induce those who rely on less efficient transportation modes to public transit.

The focus of transit improvements must not only be on subways; it must significantly **MUST** include Bus Service to better serve these communities. Where speed of service is concerned, Queens suffers greatly from its inferior bus network. Queens residents need a commitment to expand bus service and remove the impediments that slow the movement of buses. This includes enforcement of traffic restrictions that apply to vehicles and pedestrians. This especially includes SMART traffic planning.

Let's face facts: No plans include NEW subway lines for the "Outer Boroughs" such as Queens. This makes efforts to improve bus service essential when it comes to moving New York forward. Look at the MTA Plan spread sheet; all you see for buses involve these acronyms: "SGR" (state of good repair), "NR" (normal replacement) and "SI" (system improvement as in improved quality replacement bus). What you see not at all in Queens: "NE" (network expansion.... expanding service).

Too often policymakers and advocates ignore the utility of bus public transit; instead they implement BIKE LANES, Pedestrian malls and VISION ZERO initiatives which, while healthy alternatives, contradict and impede the growing need for PUBLIC Transit, specifically reliable Bus Service, to operate. Ferries and light rail must be incorporated and connect with our Bus, Rail and subway networks.

We need to end this impractical mindset against buses and commit to expand bus service – especially in Queens which suffers greatly by the inferior bus network that currently exists there.

ATU strongly supports bus service changes, expansions, and enhancement with collective thought and input. This includes better use of MTA bus lines to serve intra-borough and inter-borough public transit needs rather than just using most bus routes to funnel riders to subways and rail. Protective bus lanes become essential part of this planning.

In Queens, we also need a clear understanding on the need to assign a priority to buses. Our legislators can prove helpful by joining ATU and advocating for service priorities outlined in many prior testimonies at city and state legislative hearings.

Restore remaining bus service cuts from 2010. Expand (all) bus service to operate 24 hours. Introduce express bus service in Southeast Queens at the level that exists in Northeast Queens to Manhattan.

Provide fully-functioning depots to repair buses – new and existing – timely. The **MTA NYCT Jamaica bus depot** in Central Jamaica NY lags decades behind schedule to improve underserved communities in Southeast Queens; it needs to be completed. Improvements still lag to protect the Casey Stengel Depot in Flushing against storm flooding.

Overhaul existing and/or create new create terminals to facilitate commuter transfer between transit modes. Downtown Flushing still needs a site identified for a full-scale bus terminal before development there makes it impractical.

The MTA plan must provide for more electric bus purchases and charging stations for the transition to a zero-emissions fleet, rather than current small pilot that introduces 60 all-electric buses

Frankly, MTA's capital budget that smartly invests in bus public transit options not also assists many residents who currently rely on personal vehicles, it enables more bus routing alternatives that relieve stress on subways and roadways. Please refer to Appendix A for the capital investment in buses and related infrastructure that ATU recommends in order to facilitate an overall strategic approach involving greater use of buses.

Funding Issues

More transit funding is definitely needed. A bond referendum in support of Mass Transit will provide the necessary monies to keep the economic engine of New York attractive and running. ATU recommends increasing the current MTA surcharges by 2%.

The current NYC Hotel Network could generate \$100 million with a simple \$5 per day assessment that must be directed to transit service improvements.

The Federal government needs to change the formula for public transit needs in New York State. ATU talks not only of funding for transit service but capital projects as well.

Appendix A:

The capital investment in buses and related infrastructure ATU recommends facilitating an overall strategic approach involving greater use of buses:

- ▶ In the absence of any plan to revamp lines servicing southeast Queens to address both populations increases and existing and projected public transit needs;
- ▶ Identify bus depots which need repair or replacement and schedule such, with a focus on real progress on Jamaica Depot;
- ▶ Identify any need for new bus terminals – downtown Flushing plagued by congestion and related issues – remains a prime candidate;
- ▶ Restore remaining bus service cuts from 2010;
- ▶ Expand (all) bus service to operate 24 hours;
- ▶ Introduce express bus service in Southeast Queens at the level that exists in Northeast Queens;
- ▶ Acquire more buses – 200 additional per year over ten years beyond what’s proposed in Fast Forward, to deploy on existing, revised and/or new routes – a key component of any improvement plan
- ▶ Address congestion on local bus lines particularly during rush hours; this means using the data from the “Bus Trek” system to address bus schedules in a shorter timetable than currently exists;
- ▶ Make standard on every new bus not just outfitting 1,000 buses – audible pedestrian turns warning systems and specify additional cameras on all new vehicle orders;
- ▶ Include long overdue ADA-compliant audible announcements on all buses;
- ▶ Introduce off-bus fare collection not just for SBS in Queens ASAP but all routes;
- ▶ Introduce dedicated bus lanes for local and limited bus routes such as enjoyed in Manhattan, with proper enforcement; explore cameras in bus stops and use of cameras in lanes that limit parking during rush hours; to generate revenue for service enhancements;
- ▶ Include enforcement against illegal Commuter Van operations as part of the existing plan that advocates increased enforcement presence on bus routes where needed, including identifying times and areas of more frequent operator assault and streamlining communications between (the MTA’s) Department of Buses and law enforcement;

- ▶ Integrate into the command center where it empower staff to providing real-time service and schedule information to all bus operators by 2020 and deployment of on-street dispatchers to targeted locations and terminal points to help keep buses moving and resolve issues;
- ▶ Implement free transfers between commuter rail and public bus transit – as currently exist between buses and subways and local and express buses – which pays for itself (see Analysis A below);
- ▶ Management employment practices – including inconsistent discipline – remain an issue and require re-thought when it results in a need to hire and train someone new to replace someone already trained and experience;
- ▶ Charge the entity looking at BQX – to also review linking the waterfront neighborhoods via buses, which can occur almost instantaneously. (All the more important as funding issues remain with the rail version); and
- ▶ In future planning, provide for more electric bus purchases and charging stations for the transition to a zero-emissions fleet, rather than current small pilot that introduces 60 all-electric buses.

=====

Analysis A:

Currently no bus to rail or rail to bus transfer exists.

So many **opportunities** exist to connect bus riders to rail. It just may relieve some the parking strain that neighborhoods near rail hubs experience; moreover, that helps local merchants in places such as Queens Village and Bayside where committed patrons often drive around looking for parking; others might drive to Long Island malls.

So why not apply the cost of the bus fare to offset part of the LIRR fare? If 1,000 commuters take advantage of this, it involves \$5,000 per day, \$25,000 per week, \$1.3 million. Perhaps one-half take the subway or drive. That means additional revenue. 500 monthly ticket LIRR fares from Zone 3 totals \$1,308,000. Interesting math. A wash.



Two Penn Plaza ■ Fifth Floor ■ New York, New York 10121

Testimony on Metropolitan Transportation Authority's 2020-2024 Capital Program

Submitted to the New York City Council Committee on Transportation

November 25, 2019

Andrew S. Rein, President, Citizens Budget Commission

The Citizens Budget Commission (CBC) appreciates the opportunity to submit testimony on the Metropolitan Transportation Authority's (MTA's) 2020-2024 Capital Program. CBC is a nonpartisan, nonprofit think tank devoted to influencing constructive change in the finances and services of New York City and New York State government, including MTA and other public authorities.

Improving MTA infrastructure is essential for the New York City region's competitiveness, quality of life, and environmental sustainability. While some of today's MTA riders may not recall the system's decay in the late 1970s and early 1980s, it serves as a stark reminder of the potential impacts of system degradation. For this reason, CBC's longstanding position is that MTA capital investments must first emphasize state of good repair and routine replacement before projects to expand the system or provide enhanced amenities.

At \$54.8 billion the proposed 2020-2024 Capital Program is the MTA's most ambitious yet, and it has been heralded for addressing a wide range of critical needs and desires identified by public officials, advocates, and others. Unfortunately, the simple truth is in five years this plan's promise will not be fulfilled. While admirably ambitious, the plan's sheer size—combined with a backlog of past projects, the MTA's delivery capacity, and lack of transparency—render it impossible to determine what investments should and will happen in the next five years and what that will mean for riders' experience and the stability of the system's finances and infrastructure. Six issues warrant consideration:

- 1. There actually are \$70 billion of projects planned.**

In addition to the \$54.8 billion proposed in the 2020-2024 Capital Program, the MTA has almost \$15 billion in previously planned and approved capital projects it has yet to commit. Presumably, work on these projects will occur concurrently with the new investments outlined in the 2020-2024 plan.

- 2. The MTA is unlikely to be able to commit \$70 billion in projects over the next five years. If the MTA were able to increase its historic commitment rate by 50 percent, it would be able to commit \$45 billion, which may be achievable if not optimistic.**

Over the 2010 to 2018 period, the MTA has been able to commit an average of \$6 billion in capital projects annually. This includes the past three years when commitments were higher than previous averages primarily due to large projects including \$663 million for East Side Access, \$1.8 billion for the third track for Long Island Rail Road (LIRR), and \$1.5 billion for a subway car procurement. The previous rate of commitments was approximately \$4.9 billion annually.

To execute both the new capital plan and the backlog of projects in five years would require the MTA to more than double its annual projected commitment rate from \$6 billion to \$14 billion. This is an unrealistic expectation. While the MTA asserts that bundling projects will help increase its throughput—and we hope this will be the case—it remains unclear what the impact of MTA's significant restructuring will be on its delivery capacity, especially in the near term. If the MTA is able to commit \$45 billion over the next five years, it would be a 50 percent increase in throughput over prior performance—which is arguably very ambitious, but may be achievable with ongoing and future reforms.

- 3. The 2020-2024 Capital Program places a high priority on state of good repair, system replacement, signal upgrades and service improvement, which are necessary and urgent.**

CBC commends the MTA for focusing two-thirds of the 2020-2024 capital plan on state of good repair and normal replacement projects. The plan allocates \$13.6 billion, or 25 percent, to state of good repair and \$23.3 billion, or 42 percent, to normal replacement. Importantly, it includes \$5.9 billion for subway signal upgrades and \$5.1 billion for accessibility improvements at 70 subway stations.

- 4. Failure to publish a needs assessment and the plan's lack of annual project schedules make it difficult to assess the impact on the rider experience and the system's long-run state of good repair and stability.**

In a departure from past practice, the MTA did not publish a 20-year needs assessment documenting state of good repair needs for critical components in each of its business lines. Furthermore, unlike prior capital plans, the 2020-2024 plan does not include schedules for planned projects and details on priorities within project categories. For example, while the plan includes \$5.1 billion for accessibility improvements at 70 New York City Transit (NYCT) stations, it does not list all of the stations or provide a schedule for when the work will occur or how much each station will cost.

The MTA likely will not complete a significant portion of the \$70 billion of projects. Therefore, it is critical that the MTA prioritize the most impactful projects and initiate those as soon as practicable. Absent a needs assessment and year-by-year project schedules, it is virtually impossible for oversight and approving officials, and interested parties including the CBC, to provide specific recommendations. In the plan's current form, we cannot assess each project's relative impact on state of good repair and how much the plan can be expected to achieve to bring infrastructure to a state of good repair and to enhance service reliability and the rider experience.

5. The MTA should provide a plan for capital investment over the next five years—which this five-year capital plan is not.

The 2020-2024 Capital Program may be a reasonable outline for projects to stabilize and improve the system. However, there is no public blueprint for what will or should be committed over the next five years, given that \$70 billion is unlikely to be committed. The MTA should allocate its human and financial resources to the highest priority projects, and its capital plan documents should reflect these priorities by including, at minimum, the year in which the MTA plans to commit and complete each project. The MTA should provide the detail needed and present a five-year plan for investment so the MTA Board, oversight bodies and watchdogs like CBC, and the public can assess whether it is appropriate and hold the MTA accountable for implementation.

6. Financing of the 2020-2024 Capital Program relies on bonding out new revenue streams, which will put pressure on the operating budget and will mean that future capital plans will require additional new revenues.

Almost half of the 2020-2024 Capital Program financing comes from new revenue streams approved in the last legislative session. The largest, central business district tolling revenue, is estimated to annually generate \$1 billion, which is planned to support \$15 billion in bonds. For this to be feasible, the MTA and other public officials must ensure that exemptions and credits to the central business district tolling charge are limited, so that the revenue promised is available to support the plan. Another \$10 billion for the plan is to come from bonds backed by the expansion of the real estate transfer “mansion” tax and a newly dedicated portion of State and City sales tax revenue.

The balance of the plan is to be financed with \$9.8 billion of MTA bonds and with pay-as-you-go capital; \$6 billion from the State and the City; \$2.8 billion in a federal New Starts grant; \$7.7 billion in federal formula funding; and \$3.3 billion of MTA Bridge and Tunnel bonding.

While some of this funding appears uncertain—the City has not yet committed to new funding, the federal New Starts grant has not been awarded, and the federal mass transit allocation may be altered upon reauthorization in 2021—it is clear the MTA will issue a significant amount of new debt. Long-term debt is an appropriate financing mechanism because it reflects the useful life of the assets and spreads the cost over time to those who use them. Still, its impact on the operating budget should be carefully considered. Debt service is paid with funds that otherwise pay for car cleaners, station maintenance, and other operating budget needs that improve the customer experience.

This financing plan raises two issues. First, bonding out these new revenue streams entirely will require the MTA to seek new revenue sources to fund subsequent capital plans.

Second, this will put additional pressure on the operating budget, which has a nearly \$1 billion cash shortfall over four years, assuming the MTA’s restructuring plans and labor contracts are executed as budgeted. Debt service now comprises 15.8 percent of total operating spending. The July financial plan forecasts debt service will grow 31 percent, from \$2.7 billion in 2019 to \$3.5

billion in 2023, driving debt service up to 18.6 percent of operating spending— before the planned bonding for the 2020-2024 capital program is included.

Since the MTA will not commit its entire plan in five years, the impact of new borrowing on the next five years' operating budgets is uncertain. However, that impact should be considered as the MTA and State and City leaders determine how to finance the investments that will be made.

One source to reconsider is the new real estate transfer taxes, since they are highly sensitive to the New York real estate cycle, and signs are already present that the luxury market is weakening. Rather than using this volatile revenue source to support debt, the MTA should consider this a source for pay-as-you-go capital projects.

The MTA's 2020-2024 Capital Program is highly ambitious. While identifying all that is needed to stabilize and improve the system is important, the plan that is ultimately approved and executed over the next five years should focus on the priority projects that will yield the greatest benefits for system reliability, accessibility, and customer service.

Thank you for the opportunity to comment.

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I represent: PCAC - Permanent Citizen's Advisory

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